(d) the reasons for giving advance amount without interest to contractors?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) and (b) During the current financial year, Government of India has sanctioned Kameng HEP (600 MW) to be executed by North Eastern Electric Power Corporation (NEEPCO). According to NEEPCO, interest free advances have been given with security of equal amount of Bank guarantee to the following contractors as per their contract agreement for this project:

Sl. No.	Name of work in Brief	Name of Contractor	Advance paid
1.	Civil works of Bichom dam and part of HRT (Package-I)	M/s Patel-Unity JV	Rs. 14,38,10,000.00
2.	Civil works of Tenga dam and Part of HRT (Package-II)	M/s. Patel Engineering Ltd.	Rs. 11,63,95,000.00
3.	Civil works of Kimi powerhouse and part of HRT (Package-III).	M/s Patel Engineering Ltd.	Rs. 13,16,50,000.00
4.	Hydro-Mechanical works (Package-V)	M/s. OMML-JSC JV	Rs. 23,61,00,000.00

NEEPCO have further informed that interest free advance has not been given by them in any other project.

(c) In respect of Kameng HEP, Government of India has so far released part of the approval equity to NEEPCO, which does not carry any interest but earns a post tax return of 14% thereon after commissioning of the project. No loan from Government of India is envisaged for this project.

(d) According to NEEPCO, the provision of interest free advance has been kept in Kameng HEP with a view to keep the quoted price low. This provision has been made in the tender document to give equal opportunity to all the bidders, otherwise, bidders would have loaded in their bid the interest component along with service charges, thereon. This provison results in reduction of contract prices.

Providing more than 40 per cent as a grant to M.P.

†2435. SHRI LAXMINARAYAN SHARMA: Will the Minister of POWER be pleased to state:

(a) whether as per Central rural electrification policy financial assistance is fixed as 40 per cent in the form of grant and 60 per cent in the form of debt;

†Original notice of the question was received in Hindi.

(b) whether Government are considering to provide more than 40 per cent as a grant changing this ratio since the geographical position of Madhya Pradesh is different compared to the other States; and

(c) if so, by when Madhya Pradesh would get said benefit?

THE MINISTER OF POWER (SHRI P.M SAYEED): (a) to (c) A new scheme of Rural Electricity Infrastructure and Household Electrification has been approved for the attainment of the National Common Minimum Programme of completing Rural Household Electrification in five years by replacing/merging the earlier 40% Capital Subsidy Scheme Under this scheme 90% Capital Subsidy would be provided for:

(i) Creation of Rural Electricity Distribution Backbone (REDB) with one 33/11 kv (or 66/11 kv) substation in every block appropriately linked to the State Transmission System.

(ii) Creation of Village Electricity Infrastructure (VEI) for electrification of all unelectrified villages/habitations with distribution transformer(s) in every village/habitation

(iii) Decentralized Distributed Generation (DDG) and Supply System for Villages/Habitations where grid supply is not cost effective and where Ministry of Non-Conventional Energy Sources would not be providing electricity through their programme(s)

(iv) Electrification of all un-electrified Below Poverty Line (BPL) households in the country free of charge

Projects for Madhya Pradesh can avail of financing under this Scheme

Pending proposal of M.P.

†2436. SHRI LAXMINARAYAN SHARMA: Will the Minister of POWER be pleased to state:

(a) whether a proposal of Madhya Pradesh Government for Rs 9450 crore under Central scheme of cent per cent electrification is pending for approval with Central Government,

(b) the action being taken by Government in this regard; and

(c) by when, it would accorded approval?

THE MINISTER OF POWER (SHRI P.M SAYEED): (a) No, Sir.

(b) and (c) Do not arise

†Original notice of the question was received in Hindi